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January 27, 2012

## BY ELECTRONIC COMMENT FILING SYSTEM

Ms. Marlene H. Dortch Secretary Federal Communications Commission 445 12<sup>th</sup> Street, SW Washington, D.C. 20554

Re: Ex Parte Communication – In the Matter of Application of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC For Consent To Assign Licenses; Application of Cellco Partnership d/b/a Verizon Wireless

and Cox TMI Wireless, LLC For Consent To Assign Licenses, WT Docket No. 12-4

Dear Ms. Dortch:

On January 25, 2012, Mark A. Stachiw, Vice Chairman, Secretary & General Counsel of MetroPCS Communications, Inc. ("MetroPCS"), along with Carl W. Northrop and Jessica DeSimone of Telecommunications Law Professionals PLLC ("TLP"), met with Renata Hesse, Joel Taubenblatt, Ziad Sleem, Neil Dellar, Virginia Metallo, Kate Matraves, Sandra Danner, Paul Murray, Jim Schlichting, Nese Guendelsberger, Aleks Yankelevich, Joel Rabinovitz, Susan Singer, Jim Bird, Tim Stelzig, Christopher Sova, and Eric Ralph of the Federal Communications Commission ("FCC" or "Commission") to discuss the above-referenced transactions.

MetroPCS indicated that it is not yet in a position to express its views on the merits of the above-referenced transactions largely because its outside consultants have not yet secured access to all of the relevant documents pending the waiting period under the applicable protective orders. MetroPCS did indicate preliminarily, however, that it considers this transaction to merit a close look and the Commission should gather and analyze data relating to a number of areas before it can conclude that the transactions serve the public interest. Since the Buyer, Verizon Wireless, has indicated that the transaction is being pursued to meet its medium- to long-term spectrum needs, not immediate needs, and because no existing customer services, or employees, or operations are being placed in play as a result of the proposed transaction, the Commission can take the time to conduct an exhaustive review without adverse public interest consequences.

The Commission needs to secure additional information from both the Sellers and the Buyer, and to analyze whether the transaction serves the public interest. The Commission needs to request from the {00018553;v4}

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Sellers information, including documentary evidence, necessary to resolve conflicting statements that have been made regarding whether the members of SpectrumCo acquired the subject spectrum with the bona fide intention of building a network and providing service to the public, or rather acquired the licenses for speculation or for the purposes of trafficking in spectrum licenses. The need for this information is raised in these transactions because SpectrumCo is not providing a substantial public service despite having held the subject licenses for a long time, and because certain public comments were recently made by an officer of Comcast, a member of SpectrumCo, suggesting that it never intended to build its own network. Depending on the information provided, such information would allow the Commission to determine whether the licensees had a bona fide intent to construct and use the spectrum or was holding the spectrum for speculative purposes. The Commission should request copies of all of the statements of SpectrumCo and its members to analysts and shareholders regarding its intentions and plans with respect to the network, and all internal company documents pertaining to the enterprise (e.g., all communications and agreements pertaining to the formation of SpectrumCo and its business plan, all post grant meeting minutes, budgets, business plans, etc.).

With respect to the Buyer, the Commission needs to secure the information necessary to assess the Verizon Wireless claim that it has a bona fide need for the spectrum and is not simply acquiring spectrum in a period of spectrum shortage to "warehouse" it and keep it from being put to use by competitors. Specifically, the Commission should require Verizon Wireless to provide a market- by-market analysis in every market in which it is acquiring spectrum depicting the spectrum Verizon Wireless currently holds, the extent to which the spectrum has been placed in service (this needs to be a granular analysis specifying the precise bandwidth within the assigned spectrum which is actually devoted to service of independent subscribers), the nature of service provided (e.g., 1XRTT, LTE etc.), and traffic studies showing the number of home and roaming customers served in each band during a recent study period). MetroPCS indicated that the Commission need not verify this information for each cellular market area ("CMA"), but rather needed to only collect it for the CMAs in the most populated areas in each major metropolitan area.

In response to a question as to whether MetroPCS had a position on what spectrum screen should be utilized in evaluating the transaction, MetroPCS indicated that it had not yet reached a conclusion on this issue. MetroPCS did point out that the spectrum screen analysis that has been used in the past was developed prior to the current severe near-term spectrum crunch, and that the Commission might need to develop a new paradigm for assessing the public interest in light of changed circumstances. MetroPCS also pointed out if the Commission did not alter the spectrum screen, the Commission nonetheless should take into account in its public interest analysis the current spectrum shortage. MetroPCS asserted that the public interest standard should be flexible and able accommodate such an analysis.

In response to a question whether MetroPCS would be willing to provide data regarding its own spectrum holdings and utilization in order for the Commission to assess the competitive impact in particular markets of the proposed acquisition, MetroPCS assured the Commission that it would cooperate with any reasonable information request. It suggested that the focus of any such inquiry should be on the major metropolitan areas where the spectrum shortage is most pronounced. It also urged the Commission to coordinate, in advance, any third party information request with the carriers in an effort to

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seek data in a form that is kept in the ordinary course of business and to reduce the burden on smaller and midsized carriers.

With regard to information required on other ancillary issues, MetroPCS urged the Commission to consider the potential impact of the transaction on both the roaming market and the backhaul market. The Commission should consider whether the unequal bargaining power that already exists with respect to data roaming might worsen as a result of this transaction, particularly with the loss of four potential providers of roaming service leaving the facilities-based market. MetroPCS noted that one reason cited by SpectrumCo for the decision to sell was the challenge presented by its need to secure nationwide roaming. The Commission should explore in-depth, the efforts of SpectrumCo to secure roaming agreements and any discussions between SpectrumCo and Verizon Wireless pertaining to roaming. MetroPCS also asked the Commission to assess whether approving this transaction would serve to remove Verizon Wireless from the secondary market for spectrum, which could adversely affect the willingness of Verizon Wireless to offer roaming agreements as it has in the past in connection with secondary market transactions. MetroPCS also expressed its view regarding whether the arrangements between Verizon Wireless and the cable companies would serve to reduce competition in the market for backhaul facilities. The starting point for this analysis would be to secure complete information regarding the current backhaul arrangements that the parties to the transaction have with wireless companies.

Any questions regarding this notice should be directed to the undersigned.

Sincerely,

/s/ Carl W. Northrop

Carl W. Northrop of TELECOMMUNICATIONS LAW PROFESSIONALS PLLC

cc (via email): Joel Taubenblatt

Ziad Sleem Neil Dellar Virginia Metallo Kate Matraves Sandra Danner Paul Murray Jim Schlichting

Nese Guendelsberger Aleks Yankelevich Joel Rabinovitz Renata Hesse Susan Singer Jim Bird Tim Stelzig

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> Christopher Sova Eric Ralph